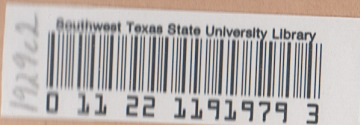


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SOUTHWEST TEXAS STATE TEACHERS COLLEGE
SAN MARCOS, TEXAS

Swift & Company 1929 Year Book

Swift & Company General Office



Swift & Company

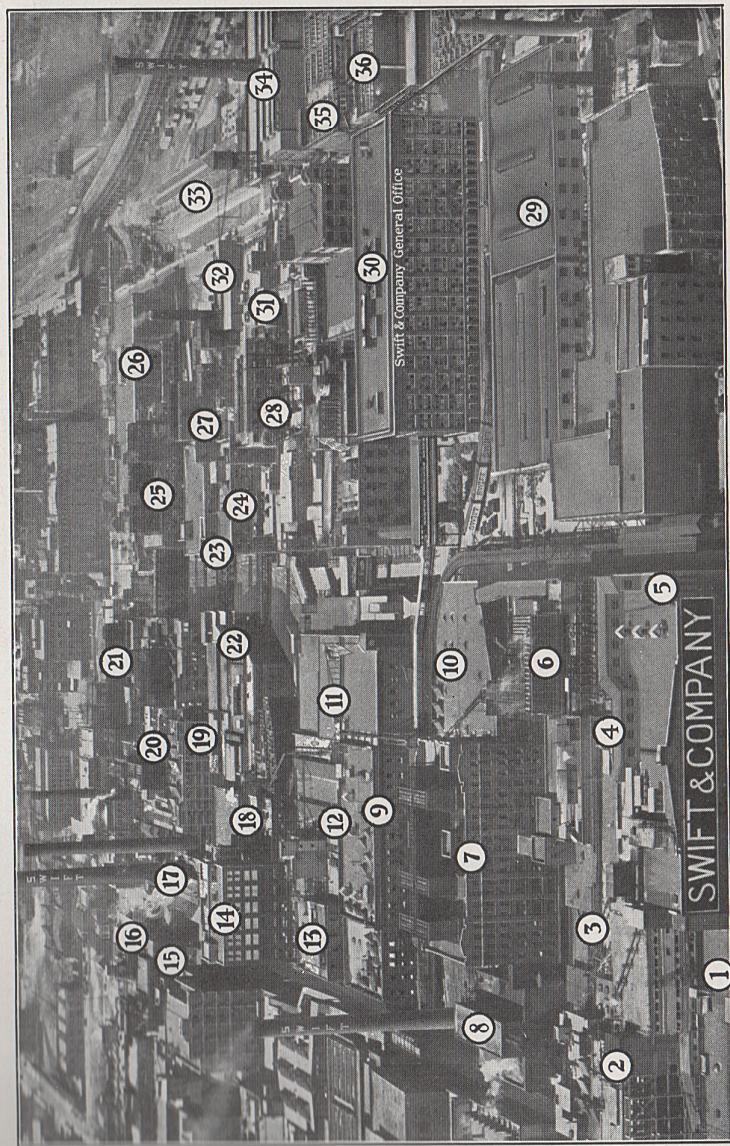
1929 Year Book

Covering the Activities
of the Year 1928



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SOUTHWEST TEXAS STATE TEACHERS COLLEGE
SAN MARCOS, TEXAS

Issued for
Forty-fourth Annual Shareholders' Meeting
January 10, 1929
General Offices, Chicago, Ill., U. S. A.



1929 Year Book Cover Identification — Swift & Company Chicago Plant

1. Premium Ham and Bacon Curing. 2. Hog Dressing and Cooling Rooms. 3. Pork Coolers. 4. Premium Smoke House. 5. Visitors Entrance.
6. Central Refrigeration Plant. 7. Service Building, Chemical and Research Lab. 8. East Power Plant. 9. Wholesale Market. 10. Storage. 11. Beef Lamb Cooler. 12. Beef, Lamb Dressing. 13. Wool. 14. Dry Sausage. 15. Glue and Gelatin. 16. Red Steer Fertilizer. 17. Red Steer Fertilizer. 18. Brookfield Sausage. 19. Jewel Shortening. "Silverleaf" Refineries. 20. Wool Soap, Quick Naptha Chips. Sunbrite. 21. Oil Refining. 22. Oil Refining. 23. Cold Storage. 24. Cold Storage. 25. Cold Storage. 26. Cold Storage. 27. Cold Storage. 28. Cold Storage. 29. Cold Storage. 30. Cold Storage. 31. Cold Storage. 32. Cold Storage. 33. Cold Storage. 34. Cold Storage. 35. Cold Storage. 36. Cold Storage.

President's Address

Mr. Louis F. Swift, in his address to the shareholders at the Forty-fourth Annual Meeting, January 10, 1929, said:

IN these days of phenomenal industrial prosperity, nothing would please me more than to be able to stand here and tell you that we had just completed the most wonderful year in the history of our company. But the circumstances are such that I shall have to wait at least another year for that. Today I can say that for our forty-fourth year we have had financially a moderately good one. We are not going to be satisfied in the future with similar financial returns. We shall not be satisfied unless we earn a substantial margin over our dividends.

"Results, both on beef and pork, have been disappointing this past year. The reduction in cattle receipts has reduced our beef volume, and the high level of beef and cattle prices has added to the difficulty of making a profit on our beef business.

"The pork business is one that always contains possibilities of surprise. One reason for this is that there is an interval of from one to three months between the purchase of hogs and the sale of cured pork. Furthermore, we cannot determine exactly how many hogs are going to be marketed during the year and at what particular time they will be sent to market, or what the price of the cured products will be when they are ready to be sold. This past year, for example, we were forced to move

*A Fair Year
Financially*

*Difficulties
with Beef
and Pork*



*Advantage
of Diversi-
fication*

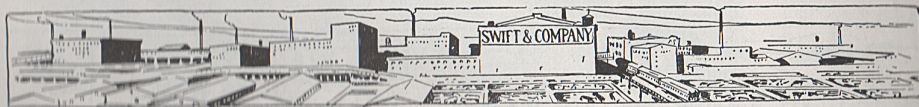
stocks of pork products quickly during September and October in order to handle the exceptionally heavy receipts of hogs during those months. We had to do the best we could under the circumstances, knowing that over a period of time the pork business will give a satisfactory account of itself.

"In other departments of our business we got along fairly well. In this connection let me call your attention to the fact that there is a great advantage in having a business that is not dependent entirely on the results of one department or product. In a well-managed and properly diversified business, whether meat packing or farming, it is most unlikely that all branches of business will show poor results the same year. There is always the chance that disappointing results in one department will be partly offset by the good results in other departments.

"I should like very much to see the source of our raw material, *i. e.*, the farms of this country, diversified to the same extent that our business is. Both meat packing and farming are subject to uncontrollable risks, and wherever there are uncontrollable factors to be dealt with—such as weather risks, price risks, investment risks, etc.—the only safe course lies in diversification.

*Increase in
Livestock
Receipts*

"Total livestock receipts at ten markets during the year were more than 6 per cent greater than in 1927. These ten markets received approximately 2,500,000 more hogs and 1,400,000 more sheep and lambs than during the corresponding period of 1927. On



the other hand, the receipts of cattle continued to decline. They were 6 per cent less than in 1927, and 12 per cent less than in 1926.

"I am glad to say that the cattlemen have had a better year. From the end of the war until 1926 the cattle business was not profitable for many feeders and ranchers. In the process of getting their business readjusted from a war to a peace-time basis, they have had to liquidate their cattle on a large scale, and many of them have been forced to withdraw from the business altogether. Unfortunately, the cattle business is of such a character that one cannot get into it quickly when it is profitable nor withdraw from it quickly when it becomes unprofitable. This has tended to aggravate the cattleman's losses in recent years.

"From a profits standpoint, the outlook for the cattle raiser is much improved. The period of liquidation has run its course. According to the estimates of the U. S. Department of Agriculture, there were only 55,696,000 cattle on farms January 1, 1928, which is the smallest cattle population this country has had in any year since 1912. The Department also estimated that the number of beef cattle in the country was 23,373,000, and this is the smallest beef cattle population we have had since 1877.

"These estimates, though tentative, seem to assure that beef and cattle prices, which have been fairly high for the past two years, are going to remain on a reasonably high level for some time, and that profits are going to be made in the cattle

*Cattle
Business
Improved*

*Beef and
Cattle Prices*



New Plants

ranch and farm business once more if such business is properly conducted.

"During the past year we added three small plants to our packing house facilities, making the total number of our packing plants now 38. We also increased our produce plant facilities in various produce sections of the country.

Produce Business Helps Farming

"I believe that our produce business has a wonderful future. We buy the farmers' eggs, cream, and poultry at country points. We candle and select the eggs, churn the cream into butter, and fatten the poultry on buttermilk and grains. Practically all of these operations are carried on in produce plants, which are separate and distinct from our packing plants. We then market these finished products through our regular branch house and car route outlets. In other words, we offer to the farmers of this country a direct, economical marketing service on their produce items. Between the farmer and the thousands of retailers throughout the country, we perform all the essential services of assembling, selecting, manufacturing, and distributing his products. It is a decided advantage to farmers to market their produce through an organization which has a nation-wide outlet and which receives only one profit for a great variety of necessary services.

Distribution Important

"During the year we paid out for live animals \$515,000,000. Our sales amounted to more than \$970,000,000. This includes the sale of all products—meat, produce, raw by-products, and various



manufactured by-products that are now only remotely related to the meat business.

"We have been paying particular attention to the distribution side of our business and believe our goods are on sale at all markets. As you all realize, the present methods of distributing food products are very different from what they used to be.

"In these days of spectacular stock market speculation, I would remind you, as I have in previous years, that Swift & Company stock is essentially an investment rather than a speculative stock. It has now paid dividends regularly for forty-four years.

"Our company may never be spectacular in its accomplishments, but it has always proved to be dependable. We are soundly organized, and have the loyal cooperation of a fine body of employees. We are engaged in an essential business that has all the earmarks of permanent success. It is only after food wants have been supplied that luxury goods can be purchased.

"On the whole, this is a very prosperous country. With its great natural resources, an energetic population, an abundance of capital, and a constitution guaranteeing freedom of enterprise, it cannot help being prosperous. There is scarcely any limit to the prosperity which this country should enjoy in the years that lie ahead, and there is every indication that not only Swift & Company but the nation's livestock producers as well are going to have a full share of that prosperity."

Swift Is Dependable

A Promising Outlook



*Report of
Earnings***Treasurer's Report**

IN his annual report to the shareholders for the fiscal year ending November 3, 1928, Mr. L. A. Carton, treasurer of Swift & Company, reported that the earnings for the year were \$14,813,181.80. After payment of \$12,000,000 in dividends this left \$2,813,181.80 to be added to surplus, which now stands at \$76,139,883.96. Mr. Carton explained in detail how the company had made due provision for depreciation and repairs and that it is a part of Swift & Company's policy to keep plant valuation on a conservative basis. The general theme of his address was "good goods," from which the following are excerpts:

"When I tell you that Swift & Company manufactured and sold in excess of \$970,000,000 worth of goods during the past year, I am sure you will appreciate that our minds were awake and our hands thrilled to a world of business activity that has had no parallel since the dawn of history.

"To meet the demand for our goods, our average working capital of \$169,000,000 has been turned over five and three-quarter times, indicating the push for trade that moved a tonnage of nearly six billion pounds.

"'Good Goods' is our slogan; and superiority, our aim, in preparing our output. We realize that in offering food products to the consumer and by-products to the trade, money will be paid for only that which best meets the needs of the buyer. A satisfactory equivalent for his money is what he anticipates from you, and, if given, he will call again. There is no label that can take the place of honesty, and Swift & Company's name stands as a guarantee of what it offers. We have wrapped up with our orders an appeal that will bring the response we are looking for."

*"Good Goods"
Speak for
Themselves*

**Swift & Company****Consolidated Balance Sheet, November 3, 1928****Assets**

Cash	\$ 12,902,407.34
Accounts Receivable	75,963,247.52
Inventories	124,236,196.37
Stocks and Bonds	27,926,908.52
Land, Buildings, Machinery and Equipment including Refrigerator Cars, etc. (after deducting Depreciation Reserves)	106,567,964.17
	<u>\$347,596,723.92</u>

Liabilities and Capital

Accounts Payable	\$ 24,436,165.76
Notes Payable	23,421,750.00
5% Gold Notes, Due October 15, 1932	37,000,000.00
5% First Mortgage Sinking-Fund Gold Bonds, Due July 1, 1944	23,918,500.00
Reserves	12,680,424.20
Capital Stock	\$150,000,000.00
Surplus	76,139,883.96
Total Stockholders' Investment	226,139,883.96
	<u>\$347,596,723.92</u>

Income and Surplus

Net Earnings after Interest, Depreciation, and Federal Income Tax	\$ 14,813,181.80
Dividends 8%	12,000,000.00
Surplus profit for year	\$ 2,813,181.80
Surplus, previous years	73,326,702.16
Surplus, November 3, 1928	<u>\$ 76,139,883.96</u>

We have examined the accounts and records of Swift & Company for the period November 5, 1927 to November 3, 1928, and certify that the above Balance Sheet consolidating all 100% owned United States and Canadian companies is in accordance therewith and, in our opinion, is drawn up to exhibit correctly the position of the company as at November 3, 1928.

Chicago, Ill., December 17, 1928.

(Signed) ARTHUR YOUNG & COMPANY
Certified Public Accountants

Directors

L. F. Swift, Chicago
 Lewis L. Clarke, New York
 Chairman, Executive Committee,
 American Exchange Irving Trust Company
 Edward F. Swift, Chicago
 M. B. Brainard, Hartford
 President, Aetna Life Insurance Company
 L. A. Carton, Chicago
 Charles H. Swift, Chicago
 G. F. Swift, Chicago
 Harold H. Swift, Chicago

Officers

L. F. Swift	<i>President</i>
Edward F. Swift	<i>Vice-President</i>
Charles H. Swift	<i>Vice-President</i>
G. F. Swift	<i>Vice-President</i>
Harold H. Swift	<i>Vice-President</i>
Alden B. Swift	<i>Vice-President</i>
William B. Traynor	<i>Vice-President</i>
John Holmes	<i>Vice-President</i>
N. R. Clark	<i>Vice-President</i>
L. A. Carton	<i>Treasurer</i>
W. W. Sherman	<i>Asst. Treasurer</i>
J. M. Chaplin	<i>Comptroller</i>
C. A. Peacock	<i>Secretary</i>
J. E. Corby	<i>Asst. Secretary</i>
W. H. Soutter	<i>Asst. Secretary</i>

Stock Transfer Offices
 Swift & Company, Chicago, Ill.
 Old Colony Trust Company
 Boston, Mass.

Registrars of Stock
 Illinois Merchants Trust Company
 Chicago, Ill.
 New England Trust Company
 Boston, Mass.

1928—A Good Year for the Cattle Industry

THE year 1928 has been a good one for cattlemen. The short supply of stocker and feeder cattle and the keen demand for them has benefited the western producer. Generally, the cattle feeder also has had a profitable year. However, the satisfaction resulting from this improvement does not dispel the regret that many stockmen who suffered during the readjustment period following the war have not been in a position to profit from the present favorable conditions in the industry.

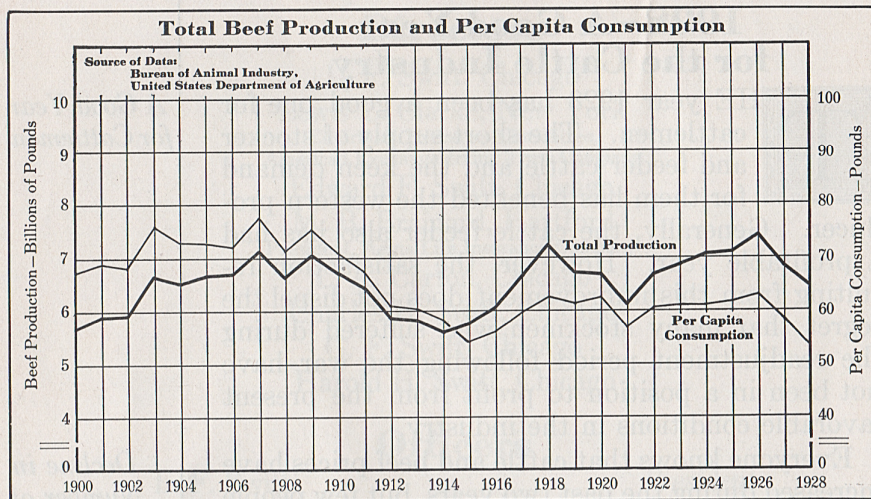
Everyone knows that cattle and beef prices have increased during the past two years, but few people realize the extent of the cattle shortage which is responsible for this increase. According to the United States Department of Agriculture, the number of beef cattle declined more than 30 per cent between 1919 and 1928. This means that since the war the country has slaughtered, on the average, about 1,500,000 more cattle each year than it has produced. We now have about the same number of cattle on farms as in 1913, but we have more than 20,000,000 additional people to feed.

In appraising this fact, due allowance must be made for the increased efficiency of animal production. The practice of marketing cattle at younger ages has in itself greatly increased the tonnage of beef that can be produced by a given number of breeding animals. There is also the important fact that during a period of high cattle

*A Good Year
for Cattlemen*

*Decline in
Number of
Beef Cattle*





*Fifty Pounds
Less Beef
per Family*

prices—as at present—cattlemen are encouraged to build up their herds, and this causes the retention of animals for breeding purposes that under other conditions would go to market.

The depletion of breeding stock and the building up of herds have curtailed the beef supply so that per capita consumption of beef dropped from 63 pounds in 1926—the last year of heavy supplies—to about 54 pounds in 1928, a decline of about 15 per cent. Stated otherwise, the shortage in supply caused the average American family to consume nearly 50 pounds less beef in 1928 than it consumed in 1926.

The increase in cattle and beef prices resulting from this shortage appears all the more marked



because for more than six years cattle and beef prices were relatively lower than the prices of other commodities. In fact, this beef price situation was responsible for the widespread distress among cattlemen and forced the liquidation or curtailment of herds built up in response to temporary war demands. It is altogether natural that there should be some complaint about high beef prices, but it should also be realized that for six years consumers enjoyed relatively low-priced beef.

Both cattle producer and beef consumer are concerned about the duration of the present high level of beef and cattle prices. The following recent statement by a representative of the United States Department of Agriculture, has a pertinent bearing on this problem:

“Undoubtedly there will be the usual seasonal price fluctuations in response to seasonal changes in supply, and there probably will be brief periods when prices of fed cattle will be depressed because of temporary increased marketings of such cattle, but a serious decline in the general cattle price level is not likely to occur until the per capita supply of beef is increased or demand is greatly reduced.

“A material reduction in demand is not anticipated unless the country suffers a severe business depression like that of 1921. Materially increased beef production cannot take place until cattle producers retain more breeding stock on their farms and ranches. . . .

“Cattle production, however, cannot be expanded materially in one year or even two years, and with the yearly increase in human population much larger than 15 years ago, it is not likely to be as easy to in-

*Six Years
of Low Beef
Prices*

*Concern
About the
Future*

*An Expert's
View*





"Whitefaces" on the Ranch of R. G. Johnson, Wamic, Oregon

*Effect of
Marketing
Cattle at
Younger
Ages*

crease the Nation's per capita beef supply as it was in earlier years. The production process has been shortened by having cattle ready for market at younger ages, but even now it requires three years to produce a steer for the block after starting breeding operations. In the previous period of small cattle supplies the low point in cattle numbers came in 1912 and the low point in beef supplies came in 1914. It was not until 1917 that the per capita beef supply was increased sufficiently to equal or exceed that of 1912."

Cattle production moves in cycles. A study of beef production of almost sixty years shows that from thirteen to eighteen years elapse from one high point in cattle production to another; and likewise, from one low point to the next. It is generally believed that marketing cattle at younger ages will tend to reduce the length of the "cattle cycle" in the future.



Prosperity Continues in the Sheep Industry

THE sheep industry has been fairly prosperous since 1922. Lamb prices have been relatively high, and production has been increasing. According to the United States Department of Agriculture, flock numbers at the beginning of 1928 were the largest in sixteen years, and the number of lambs marketed has increased at the rate of 400,000 per year for the past five years. These increased marketings have been little more than sufficient to keep up with the increasing population of the country. As a result, there has been only a slight increase in per capita consumption which for the year 1927 was 5.4 pounds. This is a relatively small amount, considering the economic value of sheep as a combined producer of meat and wool. Slightly larger consumption is estimated for 1928.

Even though the past year has shown increased production and relatively heavy supplies of lamb at certain seasons of the year, the entire lamb crop has been marketed at fairly stable prices.

On account of relatively low per capita consumption, Swift & Company believes that there is an opportunity for the increased sale of lamb in the United States. After the war, the company conducted special campaigns designed to acquaint consumers with the merits of lamb. More recently, the National Wool Growers' Association, in cooperation with the National Livestock and Meat Board and other agencies, has worked toward the

*Number
of Sheep
Increasing*

*Limited
Consumption
of Lamb*





A Lucky Orphan.

Lamb More Widely Used

same end, with the result that more people are using lamb than previously. Formerly, the consumption of lamb was confined largely to states north of the Potomac River and east of the State of Ohio, but its use has now become more general throughout the country.

We believe that the more universal use of lamb, resulting from these efforts, will be helpful in absorbing the increased supplies that may be marketed within the next few years.



Identifying Retail Cuts of Meat

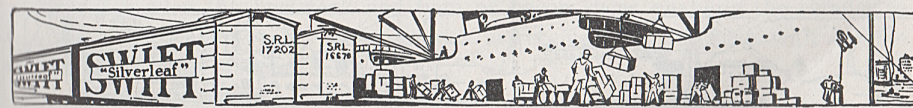
IT is probably more than fifty years since packers started to identify ham and bacon. If rumor be correct, most of the people in the pork trade at that time claimed it was not practical. That objection has long since been answered. There are many brands of ham and bacon on the market, and the standard method of marketing has been to brand the name on the rind. This method is good as far as it goes, but it does not always carry the manufacturer's identity through to the consumer. This is particularly true today, since many consumers buy ham and bacon in slices rather than whole or in large pieces.

Although the need has been recognized for some time, no method of successfully marking ham and bacon in a way that would identify the individual slices was evolved until last year when the dot brand method was developed by Swift & Company. The illustration on page 19 shows how the word "Swift" appears on the sides of both ham and bacon in a way that identifies each slice. This is an important, forward step in the meat industry because it furnishes protection against willful or accidental substitution of products.

It was also long supposed that it was not practical to attempt to identify fresh meats. Obviously, the marking of beef is a difficult problem. Swift & Company for many years has wanted to carry the identity of its quality beef to consumers, but there were many difficulties to be overcome

*Developments
in Identifying
Ham and
Bacon*

*Marking the
Individual
Slices*



*Identifying
Retail
Beef Cuts*

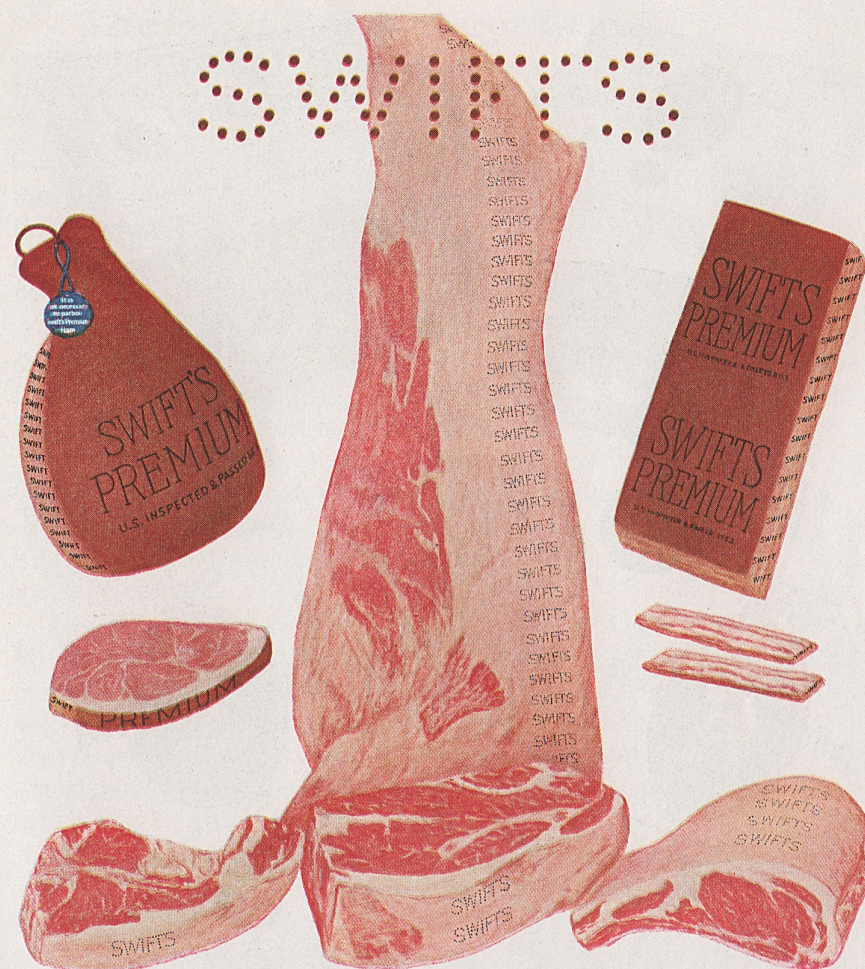
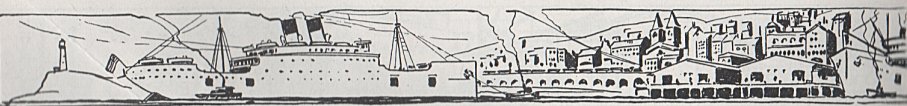
before the marking of beef could be made practical. First, there was a physical problem to be solved: some sort of a neat, attractive method of stamping the beef was needed that would clearly identify each retail cut. Further, no method of marking beef could be undertaken until it was possible to guarantee the quality of the product.

Swift & Company could not afford to put its name on beef until the quality could be successfully standardized. The grading of beef is particularly difficult, and the company has been working for many years to develop uniformity of grading between its different plants. It takes a great deal of experience before anyone can expect to be successful in merchandising beef on a graded basis.

In spite of these difficulties, Swift & Company is putting out high quality beef that carries the Swift identification on the retail cuts shown on the opposite page. We are glad that consumers today may buy Swift beef with the assurance that they are obtaining a quality product.

Swift & Company is glad to acknowledge that the National Better Beef Association, the National Livestock and Meat Board, the Institute of American Meat Packers, and the United States Department of Agriculture have all taken an active and helpful interest in the marking of quality beef.

The development of a practical method of identifying the retail cuts of fresh beef and the individual slices of ham and bacon are among the important contributions that Swift & Company has made to better meat merchandising.



New—The Identification of Swift Meat

An unfailing guide to quality—the name “Swift” in dots. This new method identifies even the beefsteak and ham or bacon slices, enabling the retailer to sell with confidence and the consumer to receive each purchase with definite assurance of satisfaction.



Premium—Silverleaf—Jewel

Reliable old names, these, in the guide-books of more than one generation of good cooks! Consumers know that the products sold under these brands are always good. They are regarded as standards of quality.

The Swift Refrigerator Car

FEW people really appreciate the important role played by the refrigerator car in developing a nation-wide market for perishable foods. The long distance marketing of perishables, made possible by the refrigerator car, has widened the farmer's market and has brought to consumers everywhere a year-round supply of fresh, wholesome foods.

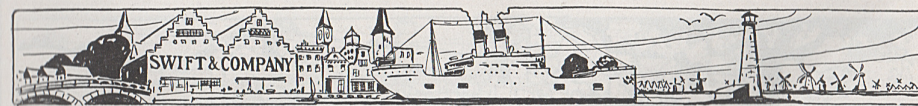
In 1877, Gustavus F. Swift, the founder of Swift & Company, had ten refrigerator cars built to his own specifications and made the year-round marketing of western dressed meats in the East a commercial success. From this small beginning has developed Swift & Company's present fleet of approximately 6,000 refrigerator cars, which forms a vital link in the company's nation-wide marketing service.

When Mr. Swift began the year-round shipment of fresh meat, he formed partnerships with leading eastern meat dealers. Later, refrigerated branch selling houses and car routes were established. The operation and services of these meat marketing organizations are described in the two following articles.

The refrigerator cars used by Swift & Company differ in two respects from those used in transporting fruits and vegetables. Brine tanks in which crushed ice and salt are mixed insure a steadier and more intense cold than can be maintained in cars which depend upon air currents passing over ice alone. Swift refrigerator cars also have

*From 10
to About
6,000*

*Branches and
Car Routes
Established*





A New Swift Refrigerator Car.

How Cars Are Loaded

stronger overhead construction so that meats may be hung from rails along the ceilings of the cars.

Quarters of beef and whole dressed lambs, calves, and pigs are hung from the ceiling of the car so as to permit the free circulation of air around them. Products packed in boxes and barrels are placed beneath them on racks on the floor of the car. This method of loading permits the shipment of "mixed cars" of Swift products to branch houses and to retailers served by car routes; it also promotes car efficiency and results in larger revenue per car for the railroads. "Mixing" rules prescribed by the Interstate Commerce Commission fix both weight and revenue requirements on such shipments.

Trained Staff Supervises Service

Swift & Company takes every precaution in order that its products may reach retailers in fresh, prime condition. A specially trained staff is charged with maintaining the service of Swift refrigerator cars. This staff must see that the



cars are built as needed and kept in good repair; that cars are inspected and cleaned with live steam before loading for shipment; that they are pre-cooled and iced before starting; that they are properly routed and bills of lading are made out; that cars are re-iced at points along the way; that they arrive at destination on schedule; that the contents are removed from the car in good condition; and that empty cars are returned promptly and distributed to shipping points so that they may be ready whenever and wherever they are needed.

The magnitude and importance of this task is apparent when it is realized that last year over 100,000 carloads of perishable Swift products, amounting to about four billion pounds, were shipped in the company's refrigerator cars. More than 450,000 tons of ice were used in pre-cooling cars and in plant icing; re-icings in shipment required 240,000 tons more. Each car made an average of 22 trips during the year and travelled over 31,000 miles. Only by owning its own cars can Swift & Company be certain that this highly important service is efficiently performed.

Over 30 packing companies, both large and small, own and operate refrigerator cars as a matter of service. Others operate leased cars or use cars furnished by the railroads. Ownership of refrigerator cars gives Swift & Company no control over freight rates, prices, or markets. Packer ownership has stood the test of time, and the Interstate Commerce Commission has found upon investigation that it results in the best possible service to the public.

Volume of Shipments

Interstate Commerce Commission Approves Packer Ownership



*Swift &
Company's
Business*

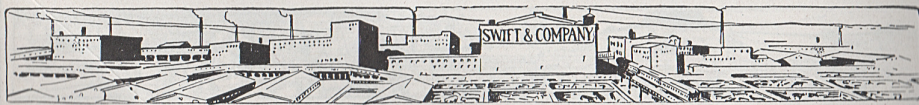
Branch House Service

SWIFT & COMPANY sells perishable meats and dairy and poultry products direct to some 200,000 retailers in all parts of the United States. The production and marketing of the company's products require the services of about 55,000 employees. Its facilities include more than 30 meat packing plants; over 70 poultry, butter, and egg plants; and in addition, oil mills, refineries, and other plants, as well as a fleet of approximately 6,000 refrigerator cars. These cars carry Swift products from the surplus producing regions in the Middle West to the areas of deficient meat production in the East, the South, and other sections hundreds of miles away. An essential part of the company's equipment is its nation-wide marketing organization, consisting of more than 400 refrigerated branch selling houses and over 600 car routes. This article tells about branch houses; the next one, about car routes.

*Why Swift
Has Its Own
Branch
Houses*

There are important reasons why Swift & Company maintains its system of branch selling houses:

1. Fresh meats are perishable and must be marketed quickly. Delay is caused by unnecessary handlings, but when meats remain under one ownership during the whole marketing process, unnecessary handlings are eliminated. Swift & Company must also keep in close touch with retail demand. Demands change quickly in various markets; hence, it is necessary—in order to prevent gluts and shortages—to keep in touch by wire with branch house managers. That is one reason why more than 7,000 telegrams are sent and received



by the Chicago sales departments in a single day.

Swift & Company maintains its system of branch distribution because meats must be handled carefully and quickly and when sold to the retailer must be fresh, attractive in appearance, and thoroughly wholesome. This makes it necessary that some branches located a long distance from producing plants carry on certain manufacturing operations, such as the manufacturing of sausage and the smoking of ham and bacon. Retailers and consumers may thus be certain that Swift's Premium Ham and Bacon, Brookfield Sausage, and other well-known products are freshly prepared and are of unvarying high quality.

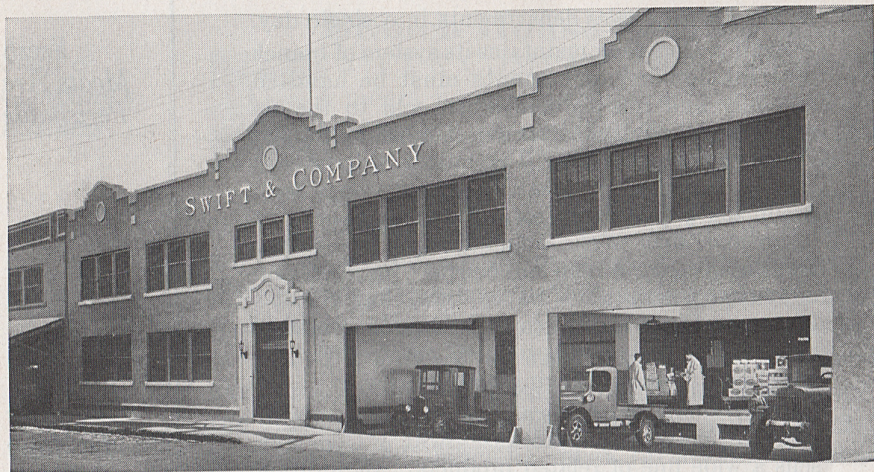
2. Extensive and economical branch house operations are possible only because Swift & Company sells a wide line of related products. In addition to fresh meats of all kinds, the branch sells cured meats, sausage, poultry, butter, eggs, cheese, lard, vegetable shortening, oleomargarine, and other food products. These products add to the total volume of business and enable the company to do a better job of supplying retailers. At the same time, by owning the wholesale outlet, Swift & Company can put proper sales emphasis upon its branded goods.
3. Branch house operations can be performed economically only when there is a large volume of business. Swift & Company is able to put such a large volume of business through each individual branch house that unit selling costs are kept at a minimum. Furthermore, it is able to supply each community with the type and quality of meat products its people demand. Each branch house can draw upon the production of any one of the company's numerous producing units. The company can thus supply New York City with white eggs and Boston with brown eggs; can find

*Fresh
Meats Are
Perishable*

*Branches
Handle Many
Products*

*Large
Volume
of Business*





Swift & Company Branch House, Tampa, Florida, Opened January 30, 1928.

heavy beef to supply the demands of New England and light weight cattle for Philadelphia; can furnish bacon of light averages for Northerners and salt pork from heavy hogs to meet the special demands of still other markets.

*Branch
Houses Are
Wholesale
Meat Stores*

It is mainly for the foregoing reasons that Swift & Company operates its own branch houses. A Swift & Company branch selling house is a wholesale meat store, usually located in a large or medium-sized city. It receives frequent refrigerator car shipments from the company's producing plants and supplies retailers in its own community and in nearby small towns with truck or express shipments of Swift products. The typical Swift & Company branch house has a refrigerating machine and well-lighted coolers where quarters of



beef and whole dressed calves, sheep, and lambs are kept in a constant temperature of 36 degrees. There is also a provision cooler where cured pork products, including Premium Ham and Bacon, are on display. A separate cooler is maintained for butter, eggs, poultry, and cheese, and where Brookfield Eggs are candled to protect their high quality. Space is also provided for soap and other non-perishable products. In many cases there is equipment for smoking ham and bacon; for cooking ham; and for manufacturing fresh Brookfield Sausage, Premium Frankfurts, and other cooked specialties.

The manager and his staff must be constantly on the alert to perform their duties efficiently. Retailers may buy from a salesman, or over the telephone, or on inspection while visiting the branch. Retailers like to see the meat they buy and "shop around," visiting several packer branch houses where they compare quality and prices and dicker for the best terms. This competition challenges the ability of the branch house manager and his staff. The branch sells fresh meat, and fresh meat will not keep indefinitely. If the asking price is too high, retailers will buy elsewhere; in time the meat will lose its bloom and customers will not then want it at any price. Branch house managers must therefore adjust their prices so as to keep their entire stock of fresh meats clearing promptly into consumptive channels. If the meat cannot be sold at a profit, then it must be sold for what it will bring, because to hold it means deterioration and loss.

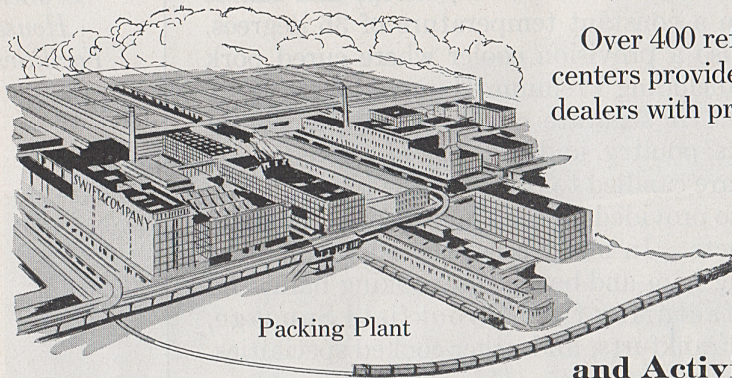
*Branch
House
Facilities*

*Prices
Adjusted to
Keep Stocks
Moving*

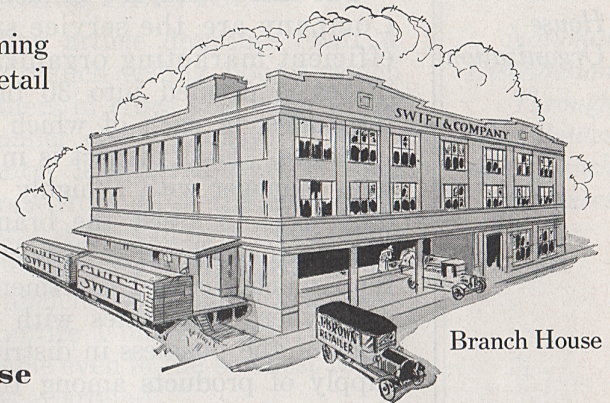


Swift & Company Branch House Service

Over 400 refrigerated branch selling houses in large consuming centers provide a direct and economical method of supplying retail dealers with products from Swift & Company plants.

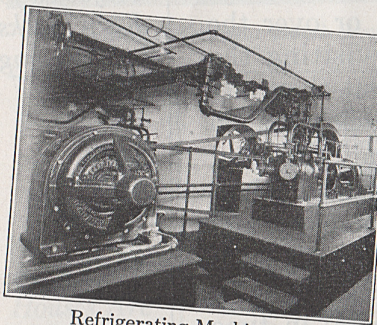


Packing Plant



Branch House

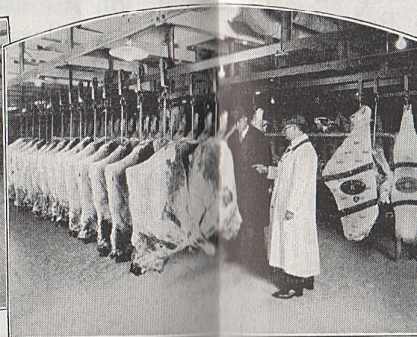
Important Departments and Activities of a Typical Swift Branch House



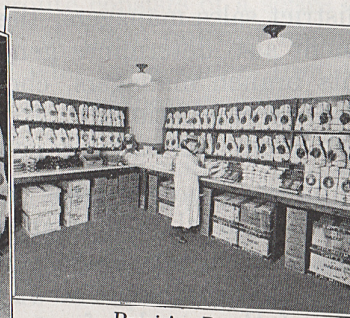
Refrigerating Machinery



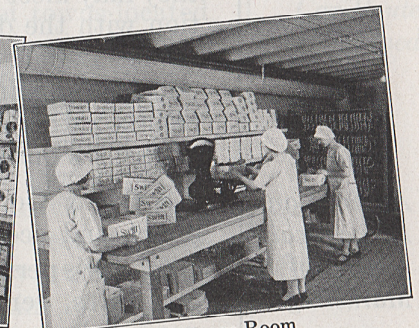
Produce Cooler



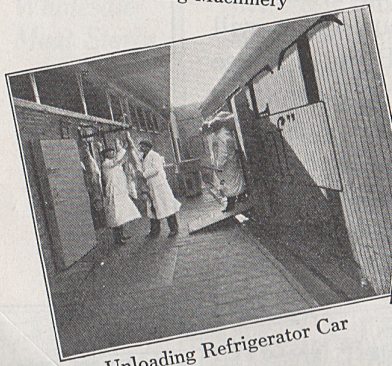
Fresh Meat Cooler



Provision Room



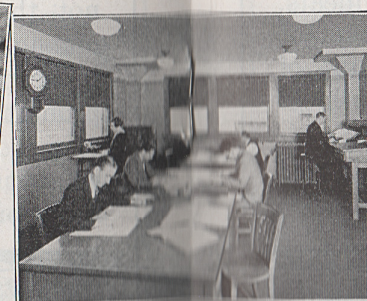
Sausage Room



Unloading Refrigerator Car



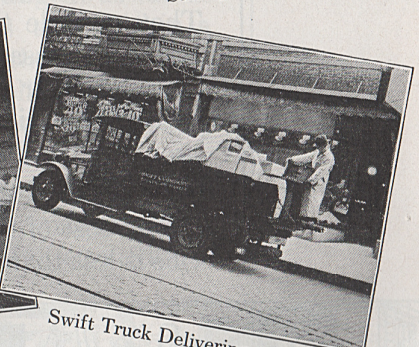
Salesman Calling on Customer



Office and Accounting Force



Delivery Platform



Swift Truck Delivering to Retailer

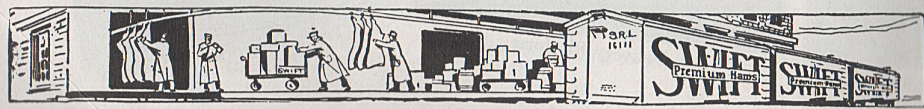
*The Branch
House
Organization*

The more than 400 branch houses of Swift & Company are the service stations of a highly efficient marketing organization. The United States is divided into 30 branch house district territories, in each of which there is a group of branches. Each district is in charge of a district sales manager with a highly trained staff, whose duty it is to assist the branch house managers with their work. The district manager reports to the Branch House Department in Chicago. This department cooperates with the producing divisions of the business in distributing the available supply of products among the branches so that they may meet the needs of the trade. In cooperation with the district sales managers, the Branch House Department also determines general sales policies, appoints branch managers, checks sales results, authorizes new or additional equipment, and supervises branch house operations in general.

*A Direct and
Economical
Method of
Marketing*

Swift & Company branch houses provide a direct and economical method of marketing the company's perishable products. They are distributing units, remarkably well able to supply the varied demands of thousands of retail stores. They provide the indispensable refrigeration facilities so necessary to the proper marketing of meats. Through their delivery systems they make frequent deliveries to individual stores. The wide line of products handled and the large volume of business reduce selling costs to the minimum.

The cost of Swift & Company branch house service is less than 5 per cent of sales.



Car Route Service

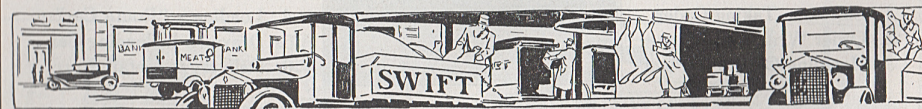
THE preceding article describes Swift & Company branch selling houses which serve retailers in cities and large towns and in smaller places nearby. The remainder of the country is covered by car route service, which extends from 17 of the company's packing plants to retail dealers in over 7,000 towns and villages located along more than 600 car routes. The car route and branch house organizations taken together cover the entire United States, making Swift products available even in the smallest towns and villages all the year around.

A car route consists of a series of towns located along one or more railroad lines, in charge of a salesman who takes orders from retailers in each town. The salesman usually covers his territory in an automobile. His orders are mailed to a Swift & Company packing plant, and the goods are shipped in refrigerator cars which leave the plant on regularly scheduled days of the week. Points near the plant are usually served by trucks. The refrigerator car operates over one line of railroad, but the salesman's territory is arranged, as far as practical, on paralleling railroads and within a circle. This arrangement enables the salesman to cover the territory without doubling back and minimizes the time elapsing between the writing of the order and its delivery.

The work of filling car route orders at the plant is organized to secure accuracy and rapid handling, because route cars must leave on definite schedules.

*National
Distribution
Through
Car Routes
and Branch
Houses*

*Car Route
Defined*



Swift & Company Car Route Service

Retailers in over 7,000 towns and villages located along more than 600 Car Routes receive direct refrigerator car shipments from our packing plants. The pictures below show some of the most important steps in Swift Car Route Service.



1. Salesman Taking Order
2. Order Writing Dept.
3. Handling Orders in Plant

4. Loading a "Route Car"
5. Draymen Unloading Car
6. Delivery to Retail Store

Filling Car Route Orders

For example, a car may be scheduled to leave the loading dock at 12:00 o'clock noon. Orders for goods to go into this car must reach the office not later than 9:15 the same morning—just two and three-quarters hours before the car pulls out. Orders from new customers must be passed upon by the Credit Department. Fifteen minutes is allowed for typing the order, checking the prices, and writing instructions to the plant departments from which the goods are to come. Another fifteen minutes is allowed to distribute these instructions to the proper plant departments.

By 12:00 o'clock, when the car pulls out, the plant departments will have sent their goods to the loading dock, and the orders will have been loaded into the car and checked carefully to make sure that everything is correct. Goods must be loaded in "station order"; *i. e.*, orders for retailers in the first town are placed just in front of the car doors, those for dealers in the next town come next, and orders going to the last town are placed in the ends of the car.

The route cars move from the packing plant to the various towns on schedule so that retailers know just when to expect delivery of their orders. Upon arrival at a town, supplies for the local dealers are unloaded from the car by the train crew, and the railroad agent turns them over to the various purchasers or authorized draymen.

Car route customers like to receive their goods on Thursday or Friday so that they will be prepared for the Saturday trade; and on Monday, because

Cars Move on Schedule





Car Route Salesman O. L. Magruder Calls on W. G. Childs, Kankakee, Ill.

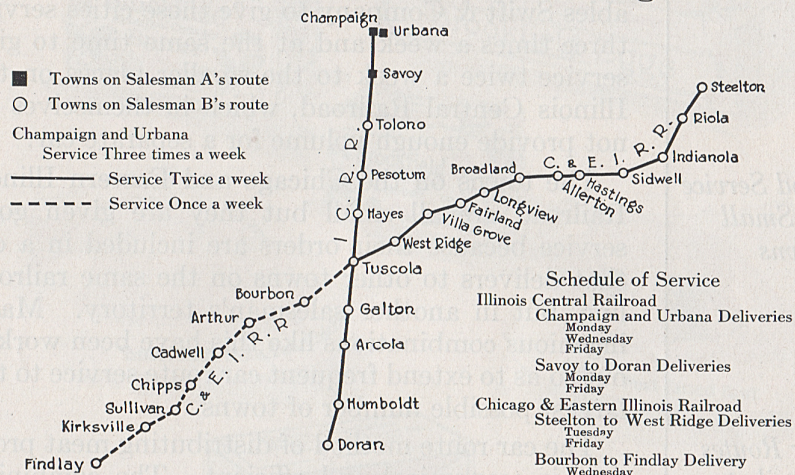
The Typical Car Route Arrangement

they dislike to carry meats over Sunday and want to begin the new week with fresh supplies. In order to meet these needs of our customers, over 65 per cent of the car route shipments are loaded at the packing plants on Wednesdays and Saturdays.

Some important features of our car route service can be explained best by a specific example. The diagram following shows a typical car route service arrangement. One salesman covers the twin cities of Champaign and Urbana, Illinois (population



Swift & Company A Typical Car Route Service Arrangement



about 30,000), and the town of Savoy. These places are shown by squares on the diagram. Another salesman, with headquarters at Tuscola, covers all the other towns (combined population less than 15,000) along both lines of railway. These smaller towns are indicated by small circles.

Cars shipped from Chicago on Saturdays and Thursdays reach Champaign early on Mondays and Fridays respectively and deliver Swift products to all the towns shown along the Illinois Central Railway. On Tuesday another car is shipped for delivery on Wednesday, containing goods only for

*Delivering
the Orders*



*Good Service
for Small
Towns*

*Car Routes
Distribute
at Low Cost*

the dealers in Champaign and Urbana. The volume provided by Champaign and Urbana, combined with the orders of smaller communities beyond, enables Swift & Company to give these cities service three times a week and at the same time to give service twice a week to the smaller places on the Illinois Central Railroad, which in themselves do not provide enough volume for a separate car.

The towns on the Chicago and Eastern Illinois Railroad are all small but they are given good service because their orders are included in a car that delivers to other towns on the same railroad line, but in another salesman's territory. Many ingenious combinations like this have been worked out so as to extend frequent car route service to the largest possible number of towns.

The car route method of distributing meat products is economical and efficient. The combining of shipments to numerous retailers in one refrigerator car results in low freight costs, and the frequent shipments permitted by the grouping of routes make it possible for the company to give exceptionally good service to retailers in the territory served by Swift car routes.

The livestock industry is founded on the demand for meat, and this demand can be satisfied only by adequate and widespread facilities for distributing meat so that consumers everywhere may obtain it. It is for these reasons that Swift & Company's development of branch houses, refrigerator cars, and car routes is so important, both to producers and consumers.



You Know Them

The packages pictured above always contain quality goods. The fact that they are sold in packages means that Swift & Company takes extra pains to maintain an unvarying standard of quality.



They Serve You

These Swift products are unrivaled in quality. Remember them when making your purchases.



Listen In

OH-KEY-OH! Key-Oh! Key-Oh!" This familiar stock yards call opens and closes "Swift Time" on *The Prairie Farmer* Station WLS, Chicago. This station broadcasts on a wave length of 344.6 meters—870 kilocycles.

Swift & Company broadcasts from station WLS (Central Standard Time) as follows:

- 9:45 to 10:00 a. m. daily except Sunday
- 12:40 to 1:10 p. m. daily except Sunday
- 2:00 to 2:30 p. m. daily except Saturday and Sunday
- 6:05 to 6:30 p. m. daily except Saturday and Sunday
- 8:00 to 9:00 p. m. every Wednesday

At 9:45 a. m., comes the Livestock Bulletin Board; at 2:00 p. m., Martha Logan presents a program for the home maker, featuring menus and recipes, and talks by experts in home economics. The periods beginning at 12:40 and 6:05 p. m. bring instructive talks from authorities on every phase of the livestock, dairy, and poultry industries. In addition, the Swift "Round-up" brings to radio listeners an hour of music and entertainment from 8:00 to 9:00 every Wednesday evening.

Swift & Company hopes to make its radio service of real interest and value to producers of livestock and dairy and poultry products, as well as to consumers. Copies of radio talks and literature concerning the packing industry and the company

*Schedule of
Broadcasts*

*Copies of
Talks Sent
on Request*



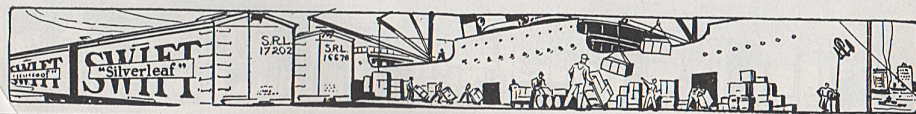


A View of the Broadcasting Studio, Chicago, as Seen From the Visitors Reception Room

*Studio in
Visitors
Reception
Room*

may be had by writing to Swift & Company, Radio Studio, Union Stock Yards, Chicago.

Everyone is invited to visit Swift & Company's packing plants. We are particularly glad to have people visit our Radio Studio and go through the Chicago plant. The studio (connected by direct wire with Station WLS) is separated by a glass partition from the new Visitors Reception Room, which has been placed on the top floor of a nine-story building. Those who visit the Chicago plant not only see the artists and speakers when they broadcast, but also can sit in comfort and listen to the program which comes to them in the Visitors Room. From this vantage point, visitors also have a splendid bird's-eye view of the stock yards and packing plants.



Stabilizing Hog Production

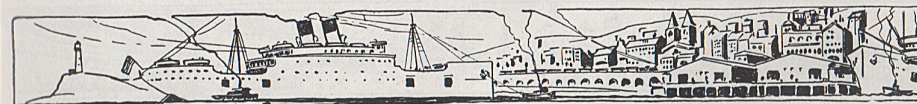
SWIFT & COMPANY believes that everyone concerned—producers, packers, retailers, and consumers—would be better off if hog production were more uniform from year to year. It was for this reason that articles dealing with the problem of the so-called “hog cycle” were published in the 1927 and 1928 Year Books.

Producers would be better off with a more uniform production, because changes in the number of hogs marketed from year to year cause opposite changes in prices. For instance, the increase of 21 per cent in the number of hogs slaughtered under Federal inspection during the months, October, 1927 to April, 1928, compared with the same period in 1926-27, was accompanied by a decline of about \$3.00 per cwt. in price. There have been many cases where reductions in supply caused equally as great advances in price. If these big changes in production from year to year could be smoothed out, it would make it possible for producers to plan their hog production with more certainty of obtaining uniform prices from year to year.

The packers would also be better off for several reasons. Packers are manufacturers and distributors, and as such are primarily interested in a merchandising profit. Anything that would tend to reduce the speculative hazards due to the year to year changes in hog production would therefore be very welcome. Uniform hog production would reduce the costs of processing by making it

*Producers
Would
Benefit*

*Packers
Would
Benefit*



*Plan for
Stabilizing
Hog
Production*

unnecessary to maintain extra equipment to handle the peak load which comes only about once every four years. The packers are often blamed by producers when the price of hogs goes down and by consumers when the price goes up. Much of this unfortunate misunderstanding would be removed if hog production were more nearly even from year to year.

But can this ever be accomplished? Anything that depends on the actions of three million individual farmers will take a long time to change. However, a promising step in this direction was made in the spring of 1928, when representatives of producers, packers, farm papers, and the United States Department of Agriculture met under the auspices of the Iowa State College of Agriculture at Ames, Iowa, and discussed ways to even the hog cycle. Another meeting was held at Peoria, Illinois, in the fall, at which time a definite plan for a permanent organization was adopted. Under this plan producer representatives, chosen from each of the principal hog producing states, plan to meet periodically, analyze all available information on the outlook for hog production and prices, and use every means at their disposal to get this information into the hands of all hog raisers.

*How the
Cycle May
Be Evened*

Fortunately, it will not be necessary for all hog producers to change their hog production plans in order to even the cycle. Many are already producing about the same number year after year, and some are successfully anticipating the swings of the cycle in time to change in the opposite direc-



What! Late for Dinner?

tion. By so doing, they are not only increasing their own profits but are also helping to even the cycle by offsetting those who change in the wrong direction. Hence, if an appreciable number of producers can be added to either of these groups, it will have considerable effect on the cycle.

This, it is hoped, can be done by the work of the hog cycle committee and the other agencies already in the field. The United States Department of Agriculture, the state agricultural colleges, the farm papers, county agricultural agents, and others have been distributing information on the hog cycle. As more producers become acquainted and guided by this information, it seems probable that a more uniform number of hogs will be produced from year to year.

*Educational
Agencies
at Work*



Swift & Company Serves the Cotton Grower

*Why We
Handle
Vegetable
Shortening*

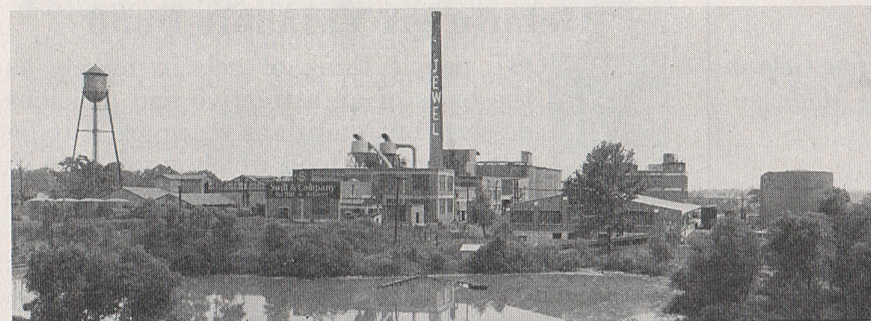
SWIFT & COMPANY handles both pure lard and vegetable shortenings. Our entrance into the vegetable shortening business came about many years ago in the following natural way. In selling pure lard, we found the same stores handled shortening made from cottonseed oil. Adding this product enabled us to make better use of our selling organization.

As our shortening business grew, it became apparent that we needed a definite and permanent source of raw materials. For this reason we acquired cotton oil mills, because cottonseed oil is the basis of the vegetable shortening industry. At the present time the company has mills conveniently located in southern cities.

*Cottonseed
Oil Extracted
by Oil Mills*

These cotton oil mills buy seed from the gineries. They extract the oil and also prepare, as by-products, cottonseed cake, meal, and hulls, which are valuable feeds for livestock. Another by-product is the short cotton fibers, or "linters," which adhere to the cotton seed. This product is used for mattresses and upholstery, as well as for fiber silk and many kinds of cotton textiles.

After the oil is properly refined at the oil mills, it must be processed in a shortening manufacturing plant, and for this purpose the company has such plants at Atlanta, Ga.; Charlotte, N. C.; Harvey, La.; Houston, Tex.; Memphis, Tenn.; Jacksonville, Fla.; Los Angeles, Calif.; and also others located in



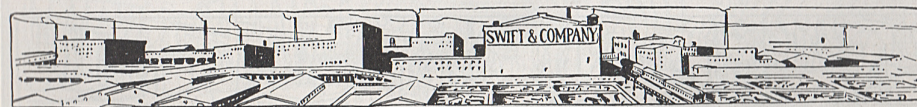
Swift & Company Oil Mill and Refinery, Memphis, Tenn.

conjunction with our meat packing plants. It is at these plants that Swift's well-known Jewel Shortening is manufactured.

Fifty years ago cotton seed was largely a waste product. Today the seed is worth about 14 per cent as much as the cotton itself, and about two-thirds of the value of the seed is in its oil content. In 1927 the production of cottonseed oil was approximately 1,900,000,000 pounds, valued at more than \$142,000,000. Since 1912 cottonseed has supplied from 80 to 90 per cent of the oil used in the manufacture of vegetable shortenings in the United States. Other oils used are largely the products of the meat packing industry. Imported oils are a factor of little importance.

Swift & Company's marketing organization serves both the hog producer and the cotton grower and is merchandising the products supplied by each to the best of its ability.

*Cotton Seed
Formerly
Wasted*



How Gelatin Is Made

Gelatin—A Valuable Food

MOST people think of gelatin merely as the basis of an attractive and delicious dessert, but dietitians recognize it to be a high protein food which is valuable in the diet and one that aids in the digestion of other foods. As manufactured by Swift & Company today, gelatin is one of the purest of all foods. It is obtained from specially selected trimmings that contain gelatinous matter. These materials are carefully prepared and cooked; then the pure gelatinous part, released by this process, is filtered and dried. Trained chemists supervise the closely regulated processes of manufacture, and gelatin must conform to rigid Federal Government standards of purity.

Swift & Company does not sell flavored gelatin and does not sell gelatin in small packages. It does, however, sell bulk gelatin to many firms that make package gelatin desserts. The gelatin dessert industry is the second most important outlet for pure gelatin.

It may seem surprising to many that more gelatin is used in the manufacture of ice cream than for any other one purpose. Over 90 per cent of the ice cream made today contains gelatin. The average amount used is only one-half of one per cent, by weight, or four-tenths of an ounce per gallon of ice cream; but this small quantity is sufficient to improve greatly the smoothness and consistency of ice cream by preventing the formation of ice crystals. Gelatin is not used in place of cream, and



Gelatin Used in Ice Cream

it does not reduce the cost of making ice cream; in fact, it is one of the most expensive ingredients used.

Gelatin is also used in buttermilk to prevent "wheying off" and to give it a smoother consistency. This use for gelatin is increasing rapidly, and in some cities buttermilk is sold and advertised as "Gelatinated Buttermilk—the Health Drink that Tastes Good."

Other important users of gelatin are marshmallow manufacturers, wholesale bakers, and makers of jellied meats. The gelatin in marshmallows gives them body and maintains their freshness and light, tender texture. Wholesale bakers use gelatin in making marshmallow "toppings" for cookies and also in cake icings to keep them moist and soft. Nearly everyone is familiar with the use of gelatin in jellied meats.

Because of its valuable food properties, gelatin has also been used for many years by physicians and in hospitals for special dietaries. Recently it has come into widespread use in infant feeding as well. The consumption of gelatin is increasing.

Although Swift & Company has been making gelatin for only eight years, the company is now well established as one of the leading gelatin manufacturers. The volume of sales and the number of customers have increased substantially each year. Swift gelatin is sold by branch house and car route salesmen in all parts of the United States, and such sales are increasing rapidly. In addition, special gelatin salesmen call on the important users of gelatin in the larger cities.

Many Uses for Gelatin

National Distribution



*An
Important
Discovery*

Meat Industry Furnishes Cure for Pernicious Anemia

DURING the past two or three years the discovery, by a group of investigators in a prominent eastern medical school, that the use of liver or kidney in the diet will cure pernicious anemia, has been abundantly confirmed. This discovery has been pronounced to be as important and as valuable as the recent discovery of insulin. Insulin is made from the pancreas of meat animals and is used for the treatment of diabetes.

*Beef, Pork,
and Lamb
Liver or
Kidney Used*

This treatment of anemia has been used in medical centers and by private physicians in this country and abroad with invariably good results. Experience indicates that the daily feeding of adequate amounts of liver or kidney, or but a few grams of a potent extract of liver, acts promptly and strikingly to improve the health of practically all patients suffering from pernicious anemia. Beef, calf, pork, and lamb liver or kidney may be used in treating the disease.

*First
Effective
Remedy for
Anemia*

Pernicious anemia has always been considered incurable, and hundreds of drugs and diet combinations have been used in its treatment without success. The most prominent symptom of this disease is a rapid decrease in the number of red blood corpuscles. Normally, there are five million of these corpuscles per cubic millimeter of blood, while in some cases of pernicious anemia this number decreases to one million or less. An increase in the number can be seen after almost the



first liver meal, and the number keeps increasing until the normal count is reached. Some of the patients have been under observation for over two years, and to all appearances they are cured so long as a sufficient amount of liver, liver extract, or kidney is taken.

It is not yet known just how liver or kidney cures anemia, but scientists are at work trying to find out. The investigators who discovered the value of liver are of the opinion that liver may contain a specific substance which either stimulates the formation of red blood corpuscles or stops their excessive destruction.

These discoveries have increased the demand for liver, and most of this increased demand has centered on calf liver. Many consumers do not know that beef, pork, and lamb liver are as effective as calf liver in treating anemia, and when properly prepared are practically as palatable as calf liver. The palatability of various kinds of liver has been established by blindfold tests.

Beef, pork, and lamb liver have been selling wholesale at prices much less than calf liver. Kidney also sells at reasonably low prices.

The Home Economics Department will be glad to send on request its booklet on Fancy Meats, which explains the food value of liver, kidney, and other fancy meats and tells how to prepare them. Sweetbreads, liver, kidney, heart, and brains are all relatively rich in vitamins, and their popularity in the diet has increased greatly during the last few years.

*Patients
Improve
Rapidly*

*How to
Buy Liver
Economically*

*Send for
Recipe
Booklet*



*Want Public
to Know
the Facts*

Packer Profits

MOST Year Book readers have seen Swift & Company advertisements in the leading newspapers and magazines and have probably noticed the statement somewhere in these advertisements that our unit profits were very small. For many years we have been emphasizing the fact in our advertising and in our Year Books that our profits average only a fraction of a cent a pound. We have wanted the public, especially the livestock producer and consumer of meat, to know more about the basic facts of our business.

With human nature as it is, the consumer of meats is tempted to blame the packer whenever meat prices are high. High meat prices seem to suggest that the packer is making excessive profits. On the other hand, when livestock prices are low, the producer of livestock is inclined to blame the packer. He is likely to think that high packer profits are the cause of low livestock prices.

The truth of the matter is that the profits of the packer are too small to have any appreciable effect upon the price of livestock or the price of meat products. Take, for example, Swift & Company's profits in 1928: profits for the year amounted to \$14,800,000, and sales amounted to \$970,000,000. Through the simple operation of dividing the yearly sales into the total profit, one will find that the company made an average profit of 1-1/2 cents on each dollar of sales. Expressed in other terms, the average profit amounted to 1/4 of a cent a pound.

*Profits Too
Small to
Affect Live-
stock or
Meat Prices*



It is evident that this small profit, or even a considerably larger one, could have no appreciable effect on the price of livestock or on the price of meat.

If Swift & Company remitted its entire profit to consumers, they would be able to buy \$3.00 worth of meat for \$2.95. If the company remitted its entire profit to the producer of livestock, it would increase the farmer's income but little; he would get about \$1.50 more for a 1,000-pound steer.

The figures quoted on profits for 1928 are fairly typical of other years. A summary of Swift & Company's financial statements shows earnings during the past thirty-two years of 1-4/5 cents per dollar of sales.

There are two main reasons why unit profit margins in the packing industry are so small. In the first place, the packing industry is not protected by patents or special privileges. Anyone with a small amount of capital can get into the business. It is evident that if profit margins were very large, a great many more people would be attracted to the business. They would give us additional competition in buying livestock and in selling meat. The result would be that the competition of these newcomers would very quickly wipe out all excessive profits. It is generally true that, in those businesses which are easily entered, profits are small. Competition sees to that.

There are now over 1,200 meat packers in the United States who are turning out the best meat products they know how to produce. They do not all buy livestock or sell meat products in the

*Profits
Have Little
Influence
on Farmer's
Income*

*Two Reasons
for Small
Profits*



*Keen
Competition
in the
Industry*

*Packer Pays
86 Cents of
Sales Dollar
for Livestock*

same markets; but Swift & Company, being a nation-wide organization, has to compete with every one of these packers. Wherever the company buys livestock, it has to buy in competition; and wherever it sells meats, it has to sell in competition with some of these packers. Incessant competition, both on the buying and selling end, has made it difficult for any of the 1,200 packers to earn more than a moderate margin of profit.

The second reason why unit profits are small is that the gross margin for expenses is also small. The Census of Manufacturers for 1925 shows that packers added only 14 per cent to the value of their raw materials. This means that out of every dollar's worth of meat the packer sold, he had to return to the producer of livestock about 86 cents, leaving only 14 cents to cover his own expenses and profit. Out of the 86 cents received at the stock yards the farmer must deduct the costs of marketing the live animal. These costs usually include freight, feed, yardage, and commission charges. Out of the 14 cents gross margin, the packer must pay all expenses of dressing and processing meat and by-products. Whatever is left, is profit.

In other words, profit margins in the packing industry can never be large enough to have an appreciable effect upon meat or livestock prices, due to the competitive nature of the industry, and because of the gross margin, covering both expenses and profits.

Under these conditions, how is it that the packing business can make worth while profits? The



secret of success in the packing business lies in being able to handle a large volume of business at a small margin of profit on each unit of product.

It is evident that a packing company should earn substantially more than its dividends in order to have funds for the necessary expansion of the business. Profits for the industry as a whole have been relatively too small for the past several years. This situation has caused the industry real concern.

Capital invested in the packing industry has been yielding a smaller return than in most other leading industries. However, it should be noted that although packer profits are relatively small, they are fairly steady. Swift & Company earnings over a long period have been quite uniform, as its financial record shows.

Because profits are small per unit, it is no sign that the packers are inefficient. On the contrary, the packing industry has served as a model for other industries in the elimination of waste and in the high degree of practical and scientific efficiency attained; also in economy of operation. Our earnings have, in fact, come largely from savings in waste and economies in expense.

Swift & Company believes that the public is entitled to know the facts about its profits and the profits of the industry. However, it does not wish to leave the impression that small profits of themselves are praiseworthy.

In the meat packing industry, as in other highly competitive industries, profits reflect the ability of the management. Good service to the public is a

*Profits Small
but Fairly
Stable*

*Earnings
Come from
Savings and
Economies*





H. R. H., the Prince of Wales, Saluting the Colors of the General John Swift Post, American Legion, on the Occasion of His Visit to Swift & Company's Chicago Plant as the Guest of Louis F. Swift.

*Profits
a Payment
for Service*

consequence of good management, and the profits of a well-managed packing company are not exacted from the people, but rather are a payment which they willingly make for what the company does for them.



Thirty-Five Years' Service

IN the 1926 Year Book, Swift & Company recognized the long and faithful service of one hundred and sixty-four men who had completed thirty-five years or more of continuous service. In 1927, twenty-nine names were added; in 1928, forty-five; and now in 1929 we add the names of forty-one employees, making a total of 279 who have served the company for this long period.

Chicago, Ill.

Leonard L. Arnold
William H. Cotz
John Davidson
Arthur B. De Crow
Duncan M. Forgan
Stanley M. James
Carl O. Johnson
Thomas J. McGrath
Martin McNulty
Fred Pendlebury
Albert Petrasek
Isaac T. Reneau
Gary Selix
Wilfred W. Sherman
James Sherry
Henry F. Young

Charlotte, N. C.

Chas. N. Lavery

Denver, Colo.

William H. Guelich

East St. Louis, Ill.

Lawrence M. Berry
Thomas L. Pratt

Jersey City, N. J.

William Warning

Kansas City, Kans.

Louis Anderson
John L. Brennan
Adrian C. Hauser
Nick Rohija

Manchester, N. H.

Charles R. Martin

Milwaukee, Wis.

Robert C. Jackson
Christian Joeklin

New York, N. Y.

William E. Frost
William T. Harrington
Theodor Rehberg
Abraham Schiff
Thomas Sullivan
Hugo A. Wallenstein

North Portland, Oreg.

Robert M. Jackson

Pittsburgh, Pa.

Clarence S. Hopkins

St. Albans, Vt.

Ralph K. Chase

South Omaha, Nebr.

John F. Hocks

Toronto, Ont., Can.

Charles F. Mallon

Ware, Mass.

Cornelius Foley

White River Junction, Vt.

Arthur A. Sawyer

1893 to
January 1,
1929

Forty-one
Names
Added



Facts About Swift & Company

<i>Historical</i>	Founded by Gustavus Franklin Swift in . . .	1868
	Incorporated in	1885
<i>Financial</i>	Capital Stock	\$ 150,000,000
	Surplus, November 1, 1928	\$76,139,883.96
	Earning on Investment (Avg. 1924—1928) . .	6.59%
<i>Employees and Shareholders</i>	Number of Employees	55,000
	Number of Shareholders	47,000
	Number of Women Shareholders	20,000
	Number of Employee Shareholders	13,000
<i>Sales (1928)</i>	In Pounds In excess of	5,500,000,000
	In Dollars In excess of	\$ 970,000,000
<i>Producing Units</i>	Packing Plants	38
	Produce Plants	70
	Fertilizer Plants	17
	Cotton Oil Mills	7
	Refineries (shortening)	21
	Soap Factories	3
<i>Sales Outlets</i>	Branch Houses More than	400
	Car Routes More than	600
	Foreign Sales Agencies More than	100
<i>Refrigerator Cars</i>	Total Number About	6,000
	Average Number Shipped Daily . More than	500
<i>Animals Dressed</i>	Cattle and Calves (Avg. per week)	75,000
	Sheep and Lambs (Avg. per week)	75,000
	Hogs (Avg. per week)	175,000
<i>General</i>	Water Used Daily (Gallons)	53,000,000
	Coal Consumed Daily (Tons)	3,100
	Electricity Consumed Daily (Kilowatt hours)	600,000
	Total Plant Area (Acres)	550
	Total Plant Floor Space (Acres)	475



Swift & Company 1929 Year Book



Swift and Company.
Yearbook.

THIS BOOK
TAKE

HD
9419
.S7
A5
1929
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Swift & company
Yearbook.

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